



## PUBLIC DISCLOSURE COMMISSION

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Date: May 25, 2006

To: Judicial Candidate

From: Lori Anderson, Communications & Training Officer

Subject: New Contribution Limits Go Into Effect June 7, 2006 (and what that means for you and your campaign)

Effective June 7, 2006, persons making campaign contributions to judicial office candidates will be subject to a contribution limit of \$1,400 per election.<sup>1</sup> The first part of this memo gives general information about contribution limits, the second part explains how the new limits will impact any contribution exceeding \$1,400 per election that you might have already received. **If you have any questions about limits or other campaign-related issues, please call one of the Public Disclosure Commission's political finance specialists.**

### CONTRIBUTION LIMITS, GENERALLY

A candidate may contribute unlimited personal funds to his or her own campaign; during the 21 days preceding the general election, however, a candidate for supreme court justice or other statewide office may not contribute more than \$50,000 and a candidate for any other judicial office may not contribute more than \$5,000 to his/her own campaign.<sup>2</sup>

A loan to the campaign by anyone other than the candidate, including a spouse, is subject to the contribution limit of \$1,400 per election.

A judicial candidate may accept primary and general contributions before either election is held. The candidate may not, however, spend any general election contribution for the primary election campaign if to do so would cause the contributor of those general election funds to exceed that contributor's contribution limit for the primary election. For

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<sup>1</sup>3SHB 1226 (Chapter 348, Laws of 2006).

<sup>2</sup> The candidate's contributions of personal funds are not subject to limit; how much a candidate may be repaid for loans made to the campaign is limited to \$4,300 for the primary election and \$4,300 for the general election.

example, if a contributor gives a judicial candidate \$1,400 for the primary and \$600 for the general election, that \$600 may only be spent on general election expenses.

Donors giving to judicial candidates may make primary election contributions up to 30 days after the date of the primary if the candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. Persons making these post-election contributions are subject to the primary election limit of \$1,400. General election contributions must be made on or before November 30 of the election year.

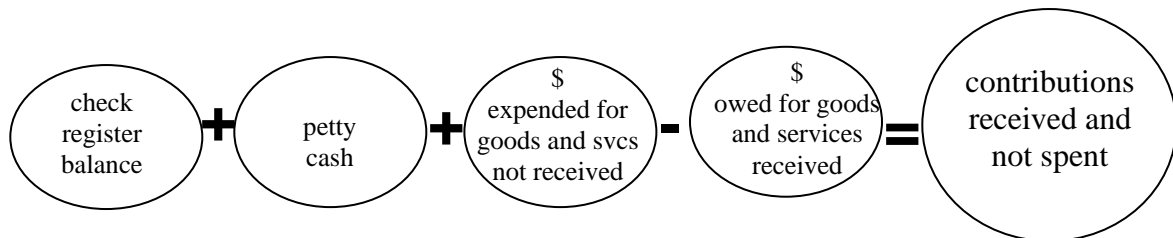
DO THE NEW LIMITS IMPACT CONTRIBUTIONS ALREADY RECEIVED?

The limit of \$1,400 per election applies to contributions that were received by a judicial candidate and **not** spent as of June 6 as well as contributions that are received on or after June 7, 2006.

1. Determine Which Contributions Were Received And Not Spent. (Contingent upon Commission's rulemaking.)

On or before June 7, you must determine whose contributions have been received and not spent and are subject to limit. We recommend that you follow these steps to make this determination:

- Determine your campaign's "cash on hand" by adding together the check register balance and any petty cash fund.
- Review all campaign expenditures and identify those for which the goods and services have **not** been received or consumed. Total these expenditures.
- Add your cash on hand balance and the total of expenditures made for which goods and services have **not** been received.
- Subtract the amount owed for any goods and services that **have** been received. The resulting sum is your total contributions received and not spent.

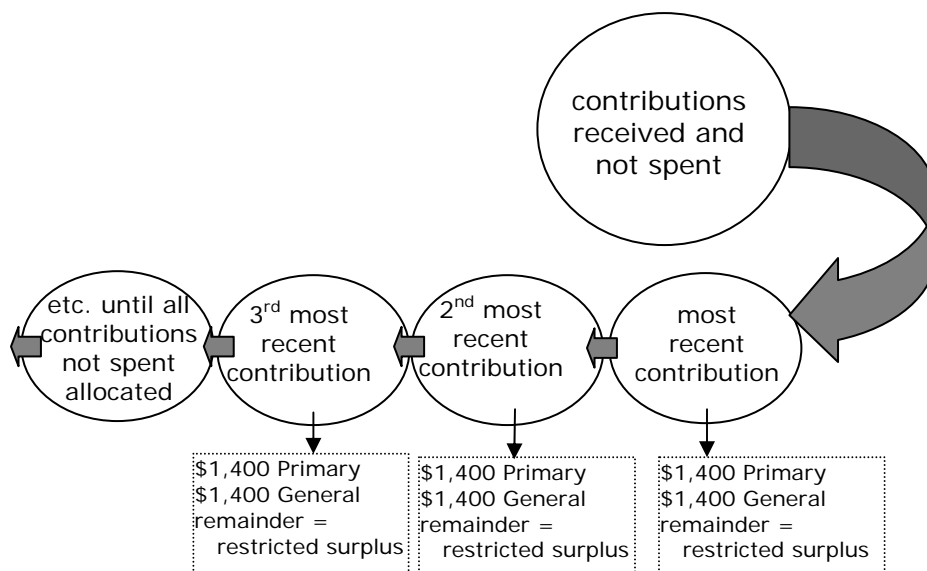


2. Attribute Contributions Not Spent To Source And Determine If Any Contributor(s) Has Given An Over-Limit Contribution.

After determining what contributions were received and not spent as of June 6, the next step is to determine 1) who those contributions were received from and 2) whether any of those contributors have given over-limit contributions.

Use the first-in-first-out method to assign contributions that have not been spent to their source.

- Starting with the most recent contribution received, identify its amount and source, then the next most recent, etc. until you have identified the source and amount of all contributions that have not been spent.
- For **each** contributor, first assign the balance up to the maximum primary election limit of \$1,400. Next assign any remaining balance up to the maximum general election limit of \$1,400. Any remaining funds become “restricted” surplus funds.



A person whose entire contribution was spent prior to June 7, 2006 may contribute up to \$1,400 per election on or after June 7.

3. Over-limit Contributions Received and Not Spent Become Restricted Surplus Funds on June 7.

Any excess contribution amount exceeding the \$1,400 per election limit that has not been spent on June 7 becomes restricted surplus funds and may be disposed of using one or more of the methods authorized by 3SHB1226 that are listed at the end of this notice.

Do not move the over-limit contributions that you identify as of June 7 into an existing surplus funds account! 3SHB1226 imposes restrictions on how these surplus funds can be spent that do not apply to a surplus account containing contributions left over from a previous campaign(s).

The restricted surplus funds may be disposed of immediately from the campaign checking account, or moved to a surplus funds account opened expressly for this purpose. A surplus funds account opened expressly to received over-limit contributions must be registered with the Public Disclosure Commission. Register the surplus funds account as "Candidate Name, Restricted Surplus Funds Account." Electronic filers will be given a unique filer ID for the restricted surplus funds account.

4. Document Over-Limit Contributions and Report to the PDC.

If, after completing the three steps above, you determine that as of June 7 you have received and not spent an over-limit contribution(s), send a memo report to the PDC that includes:

- who the over-limit contribution(s) was received from,
- the excess amount, and
- how you disposed of the excess amount.

Mail or fax the memo to the PDC no later than Monday, June 12, 2006.

Methods for Disposing of Surplus Funds as Authorized by 3SHB 1226

- (1) Return the surplus to a contributor in an amount not to exceed that contributor's original contribution;
- (2) Transfer the surplus to the candidate's personal account as reimbursement for lost earnings incurred as a result of that candidate's election campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate is not salaried, as an amount not to exceed income received by the candidate for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the candidate or the candidate's political committee. The committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW [42.17.090](#);
- (3) Transfer the surplus without limit to a political party or to a caucus political committee;
- (4) Donate the surplus to a charitable organization registered in accordance with chapter [19.09](#) RCW; or
- (5) Transmit the surplus to the state treasurer for deposit in the general fund, the oral history, state library, and archives account under RCW [43.07.380](#), or the legislative international trade account under RCW [44.04.270](#), as specified by the candidate or political committee.